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CENTRAL INTELLIGENCE AGENCY
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1. The City of San Pedro Sula ($15^{\circ}29'N$, $87^{\circ}02'W$), with a population of about 39 thousand, is the largest urban area of Honduras after Tegucigalpa. It is a commercial city with much industry and mercantile activity. It has also been the traditional headquarters of an incumbent government's political opposition. As of [REDACTED] there was little political activity in anticipation of the [REDACTED] elections.
 2. The military commandant of North Honduras, General (fmu) Zelaya, has been mentioned as presidential timber for the Nationalist Party. He is owner of the San Pedro Sula radio station and has been promoting the Nationalist cause with broadcasts in favor of the non reformist party. This terminology is a direct attempt to discredit the Reformist Party and the renegades from the Nationalists.

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 3. Liberal Party activity through [REDACTED] was at a minimum in San Pedro Sula. The patronage problem inhibits many political aspirants from declaring themselves as government jobs were reserved for the victors alone. Bureaucrats in particular are reticent to commit themselves. The Liberal Party in North area is suffering from lack of good candidates, or at least a lack of openly declared candidates. Liberal Party propagandists include Dr. (fmu) Peraza, a general practitioner, who has been very interested in DeMolay movement, and is a Mason. He presided at the reception given for Juan Galvez in San Pedro Sula on the occasion of the publicized massacre during the regime of Carías. Peraza has used the memory of that affair to discredit the then Minister of War Galvez, and Carías, in magazine articles. His rude personality limits his popularity and effectiveness. Another Liberal propagandist of San Pedro Sula is Senora Graciela Bográn, a writer and friend of Dr Peraza. She writes for Honduras and Vanguardia. Her political beliefs do not blind her to expediency, however, and she was hostess at a large reception for Senora Julio Lozano in 1951 or 1952. While in exile in Guatemala some years ago Bográn helped write a book entitled Massacre in San Pedro, dealing with the occurrence of Carías' regime.

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4. Fruit company employees working in San Pedro Sula area are for the greater part anti-Nationalist. Liberal Party ideals appeal to them because of promises of reform and because the Party is in opposition to the Nationalists. They are sympathetic towards agrarian reform movement in Guatemala though wary of the restlessness that prevails there. Workers are not satisfied that all is well in Guatemala but are not politically educated enough to know why.

5. Large land holdings exist in Honduras owned by absentee landlords who live in Tegucigalpa and abroad. Tenants are not ordinarily obliged to pay rent if products raised are sufficient only for subsistence, and they are responsible only for repairing fences. In practice, tenants tend to live at the subsistence level. Such a condition holds a potential for exploitation by agitators identical to that in Guatemala.

6. A communist cell was dispersed in San Pedro Sula in [redacted]. This cell was composed of a group residing in a rented house who were in the process of exploiting fruit company workers. They had a supply of printed and pictorial matter all of which was confiscated by the police. Members of the cell were tipped off to the raid on their quarters by advance publicity and police ineptness. All escaped across the border into Guatemala by way of Rio Charredon Valley near Mamejico (15°20'N, 88°33'W). None were identified as to nationality, though all were Central Americans. 25X1A

7. Primary school system is resulting in rising literacy of natives. Magazines and papers sell well in San Pedro Sula. Periodicals include Mexican Tiempo, Argentine Billiken - children's magazine, Argentine Hacienda - agricultural, and numerous US magazines. The US National Geographic is screened carefully either in US or Tegucigalpa by officials to determine if maps are included that locate Honduras-Nicaragua border unfavorable to the former.

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